

November 30, 2007

E-19J

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St., N.E., Room 1A
Washington, DC 20426

Re: Final Environmental Impact Statement for Guardian Expansion and Extension Project (G-II), Jefferson, Dodge, Fond du Lac, Calumet, Brown, Outagamie and Walworth Counties, Wisconsin and De Kalb County, Illinois. (CEQ No. 20070460) (FERC Docket Nos. CP07-8-000, CP07-8-001 and CPR0-8-002)

Dear Ms. Bose:

The U.S. Environmental Protection Agency, Region 5 (U.S. EPA) reviewed the Federal Energy Regulatory Commission's (FERC) above referenced Final Environmental Impact Statement (FEIS) for the proposed Guardian Pipeline Project (G-II), under the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act.

The FEIS identifies that Guardian Pipeline L.L.C. (Guardian) proposes to expand its existing system to provide approximately 537.2 million cubic feet per day (MMcfd) of natural gas transportation to both eastern Wisconsin and northeastern Illinois. The proposed project would add additional compression along Guardian's existing pipeline system in Illinois and Wisconsin. The project also includes the construction, operation and maintenance of approximately 116.2 miles of new 20 or 30-inch-diameter mainline pipeline, associated facilities, access roads and 4 miles of branch lines from its current terminus in Ixonia, Jefferson County, Wisconsin northward to a new terminus west of Green Bay in the Town of Oneida, Outagamie County, Wisconsin. The proposed Sycamore Compressor station would be located in Sycamore Township in DeKalb County, Illinois.

U.S. EPA reviewed the Draft EIS (DEIS) for this proposal and rated it "Environmental Concerns - Insufficient Information (EC-2)" in our letter dated May 30, 2007. U.S. EPA identified concerns regarding potential impacts to surface and ground water quantity and quality, wetlands and upland forest. We recommended that the FEIS for this proposal include additional information regarding impacts to these resources and mitigation measures. Many of our recommendations have been included in the FEIS. U.S. EPA appreciates the clarifying information and discussion that is included in the FEIS regarding: (1) proposed compressor station wells and ground water use, (2) corrosion preventatives and other types of pipe or equipment coatings and their potential for mobilization during hydrostatic testing, and (3) sediment control measures.

The FEIS explains that, since the DEIS, Guardian submitted two amendments to the proposed DEIS pipeline route. The amendments included modifications to the pipeline route in Brown and Outagamie Counties, Wisconsin, as well as modifications to proposed above-ground facilities in Outagamie, Brown, Calumet, Fond du Lac and Dodge Counties, Wisconsin and DeKalb County, Illinois. The FEIS adequately identifies and evaluates the proposed new modifications, discloses their potential impacts and provides comparisons between the new modification alternatives and their DEIS alternative counterparts.

FEIS Recommended Feasible (Preferred Alternative)

The FERC staff's recommended feasible pipeline route, associated facility locations, access roads and 3 new branch line routes (preferred alternative) are identified in FEIS Chapter 3 and the maps provided on the CD version of FEIS Appendix B - Facility Location Maps. U.S. EPA has no major concern with the recommended feasible preferred alternative. However, our review of the FEIS CD maps shows that 0.7 miles of the FEIS proposed feasible alternative pipeline route (e.g., the 20" West Green Bay Branch Line – Outagamie Alternative B) that is proposed for location within the right-of-way of County Highway VV is located within the exterior boundaries of the Oneida Reservation.

U.S. EPA, Region 5 Contacts for Clean Water Act Permits – Oneida Reservation

The following permits from U.S. EPA, Region 5 may be needed for any portion of Guardian's proposal or connected actions that would occur within the exterior boundaries of the Oneida Reservation:

- Clean Water Act (CWA) Section 402 National Pollutant Discharge Elimination System (NPDES) 402 discharge permit for discharges to waters of the U.S. from ground water pump out or process water associated with pipeline hydrostatic pressure testing. For permit information, contact John Colletti, phone: 312/886-6106, email: colletti.john@epa.gov.
- CWA Section 401 water quality certification for U.S. Army Corps of Engineers (ACOE) CWA Section 404 wetland permits, water body crossings or discharge into waters of the U.S. For 401 certification information contact, Janice Cheng, phone: 312/353-6424, email: cheng.janice@epa.gov.

Fox River/Apple Creek and Rock River Crossings

The FEIS identifies a new location for the horizontal directional drill (HDD) crossing of the Fox River/Apple Creek than the Fox River crossing location previously proposed in the DEIS. We appreciate that the FEIS identifies that Guardian will coordinate the installation of the Fox River/Apple Creek and Rock River pipeline crossings with the appropriate Wisconsin Department of Natural Resources (WDNR) and U.S. EPA staff. For the Fox River crossing, the WDNR contact is Mr. Greg Hill, Project Coordinator. Mr. Hill may be reached by calling (608) 267-9352. The U.S. EPA, Region 5 contact is Mr. James Hahnenberg, Remedial Project Manager. Mr. Hahnenberg may be reached by calling (312) 353-4213 or by email at hahnenberg.james@epa.gov.

Wetlands and Upland Forest Impacts

The FEIS continues to identify that the most significant impacts resulting from construction and operation of this proposed project would be the temporary impacts on wetlands and the long-term impacts on forested wetlands and upland forest. The FEIS identifies the numerous steps Guardian has taken to date to avoid and minimize wetland and upland forest impacts, including a commitment to install the pipeline under floodplain habitats at the Fox River/Apple Creek and Rock River crossings using the HDD method. However, the FEIS does not include wetland functions and values assessments or a wetland compensation mitigation plan, as we previously recommended. In addition, the FEIS identifies that Guardian does not plan to voluntarily compensate for the loss of upland forest habitat, as we had also recommended.

The FEIS states (page ES-5), “Guardian would implement site-specific wetland mitigation strategies as required by the [U.S. Army Corps of Engineers] COE and [Wisconsin Department of Natural Resources] WDNR to minimize impacts on sensitive wetland habitats (including forested wetlands).” Guardian will need to submit an adequate wetland compensatory mitigation plan to compensate for the direct and temporal loss of forested and other wetlands types, during the COE Clean Water Act, Section 404 permitting process for this project. U.S. EPA recommends in-kind mitigation, within the same watershed at a ratio at least 1.5:1 of wetlands created or restored (preferably restored) to wetlands lost. Mitigation would ideally be provided up-front or concurrently with project construction.

We appreciate the opportunity to review and comment on the FEIS. Please send us FERC’s final NEPA decision document (i.e., the Commission’s Order) or the Guardian proposal when it is available. If you have any questions, please contact Virginia Laszewski of my staff at 312/886-7501 or email her at laszewski.virginia@epa.gov.

Sincerely,

/S/

Kenneth A. Westlake, Supervisor
NEPA Implementation
Office of Enforcement and Compliance Assurance